



# County of Los Angeles CHIEF EXECUTIVE OFFICE

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WILLIAM T FUJIOKA  
Chief Executive Officer

November 8, 2011

To: Mayor Michael D. Antonovich  
Supervisor Gloria Molina  
Supervisor Mark Ridley-Thomas  
Supervisor Zev Yaroslavsky  
Supervisor Don Knabe

From: William T Fujioka  
Chief Executive Officer

Board of Supervisors  
GLORIA MOLINA  
First District

MARK RIDLEY-THOMAS  
Second District

ZEV YAROSLAVSKY  
Third District

DON KNABE  
Fourth District

MICHAEL D. ANTONOVICH  
Fifth District

## **QUARTERLY REPORT ON IN-HOME SUPPORTIVE SERVICES ANTI-FRAUD PLAN (ITEM NO. 22, AGENDA OF NOVEMBER 24, 2009)**

In response to your Board Motion of November 24, 2009, introduced by Supervisor Ridley-Thomas, this is the fifth quarterly report relative to In-Home Supportive Services (IHSS) anti-fraud strategies and related program integrity efforts. This report provides the highlights of the initiatives implemented to date, as outlined in the Department of Public Social Services (DPSS) IHSS Anti-Fraud Plan approved by your Board on November 24, 2009.

### **Public Assistance Crime Enforcement Unit**

During the period of March 2011 through May 2011, the District Attorney (DA) filed felony charges against 28 defendants. The amount of IHSS Program losses charged was \$123,981.10. Several of these cases also included losses in other public assistance programs, aggregating the total loss to \$327,822.08. Sixteen of these defendants were convicted during the period.

### **IHSS Quality Assurance**

During this quarter, IHSS Quality Assurance staff conducted 367 desk reviews and completed 51 home visits. The review teams also continued the reconciliation and overpayment collections on the Hospital Stay Error Rate Study cases.

## **Automated System to Track All IHSS Investigations**

Effective June 1, 2011, IHSS fraud referrals can now be tracked on the Los Angeles Eligibility Automation Determination Evaluation and Reporting System (LEADER). DPSS is in the process of expanding the tracking system to capture the outcome of audit reviews and Front End Verification Review (FEVR) fraud referrals as well.

## **Data Mining**

The Department has a current Agreement with SAS Institute, Inc. (SAS) for Child Care Data Mining. On December 14, 2010, your Board approved Amendment Number One to the Agreement with SAS to conduct a 90-day Data Mining Solutions (DMS) pilot to assess the feasibility of using DMS technology to detect and prevent fraud in the IHSS Program and to establish a platform that can be leveraged to prevent fraud in other County public assistance programs. The 90-day IHSS Pilot was conducted by SAS at no additional cost to the County. The IHSS Pilot produced a set of preliminary predictive models that were used to detect potential fraud in the IHSS Program.

Analysis of the representative sample of fraud referrals revealed the potential for a total annual cost avoidance of approximately \$7 million through fraud detection in the IHSS Program. This cost avoidance comes from the DMS system's ability to generate new fraud referrals not readily detected by existing methods and to make fraud referrals much earlier than is currently possible. A formal report on the IHSS pilot will be submitted under separate cover.

## **Fraud Referrals/Outcomes**

The attached chart depicts the total number of fraud referrals and their outcomes for 2009, 2010 and January through June 2011. Although the 2011 "Amount Repaid/Agreed to Repay" column reflects zero, these investigations remain active and collection amounts will be populated following the conclusion of the investigations. The collective anti-fraud strategies continue to yield significant outcomes as this aggressive Task Force approach of DA, the State and DPSS has demonstrated since inception.

WTF:AJ:DS  
JAB:MM:ljp

Attachment

c: Executive Office, Board of Supervisors  
County Counsel  
District Attorney  
Public Social Services

## Attachment I

<b>FRAUD REFERRALS/OUTCOMES</b>	<b>2009</b>	<b>2010</b>	<b>2011</b> (January – June)
Total number of fraud referrals	362	592	350
Number of convictions	21	61	34
Amount of funds involved in the convictions	\$640,931.00	\$1,114,814.00	\$236,779.84
Amount of funds recovered*	\$ 19,732.00	\$ 120,126.16	\$216,946.34

\*Includes funds recovered for convictions from current and prior years.

<b>FEVR/QA OUTCOMES</b>	<b>2010</b>	<b>2011</b> (January – June)
Cases reviewed	3,000	1,442
Overpayments Identified	\$561,000.00	\$321,060.00
Amount Repaid/Agreed to Repay	\$264,000.00	\$ 0.00